

Message Text

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PAGE 01 MANILA 09387 061056Z

ACTION OPIC-06

INFO OCT-01 EA-12 EB-08 AID-05 SSO-00 COME-00 TRSE-00

ISO-00 /032 W

-----082997 061059Z /14

O 061044Z JUN 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 6747

UNCLAS MANILA 09387

E.O. 11652: N/A

TAGS: EINV, EFIN, SHUM, RP

SUBJECT: OPIC INSURANCE FOR PHELPS DODGE 492-76-358,
BASIC HUMAN NEEDS CRITERIA

REF: (A) 77 MANILA 20251, (B)

EMBASSY OM DATED APRIL 2, 1975, (C) SARTORIUS/MELLOR

TELCON 6/6/78

1. PHELPS DODGE CORPORATION OF NEW YORK'S INCREASE IN EQUITY INVESTMENT OF 850,000 DOLLARS IN PHELPS DODGE PHILIPPINES, INC. (PDP) COVERED UNDER OPIC INSURANCE APPLICATION 492-76-358 WAS APPLIED EQUALLY TO WORKING CAPITAL INCREASE AND EXPANSION OF PLANT CAPACITY FOR COPPER MAGNET WIRE MANUFACTURE. THE PLANT IS LOCATED IN MANDALUYANG, METRO MANILA. IT IS A CAPITAL INTENSIVE OPERATION, EMPLOYING ABOUT 350 PEOPLE FROM THE IMMEDIATE VICINITY. FIRM NORMALLY RECRUITS METROPOLITAN TECHNICAL SCHOOL GRADUATES AND RETRAINS THEM FOR SPECIFIC MACHINE OPERATIONS. THIS PARTICULAR EXPANSION PROJECT ADDED ABOUT 20 JOBS.

2. PDP IS NOT COMPETITIVE IN INTERNATIONAL BIDDING TO SUPPLY ITS ELECTRICAL WIRE LINE TO THE RURAL ELECTRIFI-
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CATION PROGRAM OF THE NATIONAL ELECTRIFICATION ADMINISTRATION, OR THE POWER GRID EXPANSION PROJECTS OF THE NATIONAL POWER CORPORATION OWING TO HIGH IMPORT DUTIES ON ITS RAW MATERIALS. ITS PRIMARY CUSTOMERS ARE CONSTRUCTION COMPANIES IN METRO MANILA; FOR ITS ELECTRICAL WIRES, PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND BUREAU OF TELECOMMUNICATIONS FOR ITS COMMUNICATION WIRES, AND

ORIGINAL ELECTRICAL EQUIPMENT MANUFACTURERS OF METRO
MANILA FOR ITS COPPER MAGNET WIRES. IT ALSO PRODUCES
SPECIALTY WIRES FOR THE MINING COMPANIES.

3. COMMENT. PHELPS DODGE HAS INSURED NINE SEPARATE
EQUITY INVESTMENTS IN THIS SAME PLANT UNDER 13 OPIC
POLICIES DATING FROM 1958. IT APPEARS FROM OUR RECORDS
PHELPS DODGE WAS ISSUED THE VERY FIRST OPIC POLICY IN THE
PHILIPPINES. MURPHY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, FOREIGN INVESTMENTS, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA09387
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780235-1095
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780692/aaaadbbk.tel
Line Count: 71
Litigation Code IDs:
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Litigation History:
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
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Review Exemptions: n/a
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TAGS: EINV, EFIN, SHUM, RP, OPIC, PHELPS DODGE CORP
To: STATE
Type: TE
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